

## Minutes of Board Meeting

July 1, 1950

The Board of Regents of Western Kentucky State College met in regularly called session pursuant to law and the rules of said Board and pursuant to a said notice to each member of the Board by Boswell B. Hodgkin, Chairman of the Board, which notice advised the members of the date and hour and place of said meeting and that a said main purpose of the meeting was to adopt a resolution to provide for the sale of revenue bonds to produce revenue to be used in the construction of a Student Union Building.

The meeting was called to order and upon roll being called there were present Mr. Boswell B. Hodgkin, Mr. Clarence Bartlett, Mr. John E. Richardson, and Mr. Vernon Shallcross. There were also present President Paul L. Garrett, Mr. P. M. Conway, of The Bankers Bond Company, and Mr. C. W. Grafton, of the firm of Wyatt, Grafton & Grafton. Absent, Mr. J. P. Masters, Regents and Etta J. Runner, Secretary of the Board.

A quorum having been declared to be present, on motion of John E. Richardson with a second by Vernon Shallcross, all members voting "aye", Paul L. Garrett was elected acting secretary of the meeting.

The following proposal was submitted by Mr. Conway representing a Syndicate composed of The Bankers Bond Company, Almstedt Bros., Stein Bros. and Boyce, Russell, Long and Burkholder for the issuance and sale of bonds to be used in the construction of the proposed Student Union Building.

PROPOSAL

The Bankers Bond Company  
Incorporated  
Louisville, Kentucky

July 1, 1950

The Honorable Chairman and Members of the  
Board of Regents of Western Kentucky State College

Gentlemen:

We understand that you propose to construct a new Student Union Building on the Campus of Western Kentucky State College at Bowling Green, Kentucky, for the principal purpose of housing and providing facilities for certain student activities which are essential to the educational program of the College. It is our information that the proposed Building is estimated to



cost approximately \$600,000.00, that \$300,000.00 has been appropriated for that purpose by the State Property and Buildings Commission, that the College has on hand an additional \$150,000.00 in available funds which has likewise been appropriated for that purpose, and that you desire to raise the balance by issuing at this time \$160,000.00 principal amount of "Student Union Building Revenue Bonds," as authorized by Sections 162.340 to 162.380, inclusive, of the Kentucky Revised Statutes. These bonds would not constitute an indebtedness of the Board of Regents, of the College, or of the Commonwealth of Kentucky, but would be payable out of the revenues produced from the operation of the Building.

We understand that the College has for a long time charged and collected from each student an "Incidental Fee" at the time of registration to cover admissions to athletic contests and other features of College life, including the student activities which will hereafter be housed in the new Building and use the facilities provided thereby. We understand that the Board of Regents is willing to allocate a portion of the said "Incidental Fee" to such student activities in each year while the bonds are outstanding and designate such portion as constituting a part of the revenues to be produced by the operation of the Building; further, that the Board of Regents will covenant that so long as the revenue bonds are outstanding, it will continue to allocate a sufficient portion of the "Incidental Fee" for this purpose and pledge the same for the payment of the revenue bonds and the interest thereon.

We believe that a revenue bond issue worked out in this way will be sound and can be marketed at attractive interest rates under financial conditions now existing. In order to assist you in working out this financing, the undersigned, The Bankers Bond Company, Almstedt Bros., and Stein Bros. & Boyce of Louisville, Kentucky, and Russell, Long & Burkholder of Lexington, Kentucky, all licensed municipal bond dealers, jointly offer you the following proposals for immediate acceptance or rejection:

(1) We will employ, at our own expense, Messrs. Wyatt, Grafton & Grafton, recognized Municipal Bond Attorneys of Louisville, Kentucky, and subject to their approval as to all legal details, will cause them to prepare for adoption and execution by the Board of Regents and the officers thereof, all such resolutions, bond forms, notices of sale, and other instruments and documents as may be necessary to authorize, sell, and



deliver \$160,000.00 principal amount of "Board of Regents of Western Kentucky State College Student Union Building Revenue Bonds," consisting of 160 bonds of the denomination of \$1,000.00 each, numbered consecutively from 1 to 160, inclusive. We propose that the bonds be dated August 1, 1950, that no bonds mature in 1951 (because it will take approximately one year to complete the building), and that thereafter the bonds be caused to mature on August 1, 7 bonds in each of the years 1952 to 1956, inclusive; 8 bonds in each of the years 1957 to 1961, inclusive; 9 bonds in each of the years 1962 to 1966, inclusive; and 10 bonds in each of the years 1967 to 1970, inclusive. Interest would be represented by coupons attached to the bonds, maturing on each February 1 and August 1, at rates to be established by competition when the bonds are publicly sold as hereinafter provided.

We propose that these bonds be made subject to redemption at the option of the Board of Regents of the College, as a whole, or from time to time in part, on August 1, 1953, or on any interest payment date thereafter, at par and accrued interest, plus a redemption premium equal to  $1/4$  of 1% of principal for each year or fraction of a year by which the redemption date precedes the stated maturity of each bond. We suggest that principal and interest be made payable at the office of Louisville Trust Company in Louisville, Jefferson County, Kentucky.

(2) We will advertise for you and assist you in holding a public competitive sale of not less than 150 nor more than 160 of these bonds upon such terms that bidders may stipulate one or two interest rates of their own choosing, providing each is a multiple of  $1/4$  of 1% and none may exceed  $2-1/2\%$  for bonds maturing on and prior to August 1, 1964, and none may exceed  $2-3/4\%$  for bonds maturing after August 1, 1964. The minimum permissible bid will be \$1,020.00 and accrued interest per bond. Even if less than all of the bonds are sold, we will cause them all to be printed at the same time and if you should later decide to sell the remainder, the provisions herein set forth will likewise apply to the bonds whenever sold.

(3) If your public sale is held on July 22, 1950, as we understand is presently contemplated, we guarantee that we will appear at such sale and bid at least \$1,020.00 and accrued interest per \$1,000.00 bond for as many bonds as you may determine to sell between the limits above set forth, stipulating interest rates no higher than as set forth in the foregoing paragraph (2) hereof.

(4) We will pay all expenses, including the fees of our attorneys, our own incidental travel and other expenses, the cost of printing the bonds, the cost of advertising the sale or sales, and the cost of obtaining such abstracts of title or other title evidence as our attorneys may require.

(5) As compensation to use for our services and expenses and for the risk which we assume in guaranteeing a firm bid for the bonds, as above set forth, we are to be paid a sum equal to 2% of the face amount of the bonds actually sold and delivered. This compensation will be payable to us whether the bonds are sold to us or to someone else, and if we become the purchasers, we are to be permitted to credit the amount of our compensation on the purchase bid when we make payment for the bonds. Under our proposal, the College will net not less than \$1,000.00 and accrued interest for each \$1,000.00 bond.

If you desire to accept these proposals, please copy this letter into the minutes of your meeting and accept it by means of an appropriate form of resolution. As soon as we are notified of such acceptance, we will cause the necessary papers to be prepared and carry through with all diligence and dispatch.

Yours very truly,

THE BANKERS BOND CO.  
ALMSTEDT BROS.  
STEIN BROS. & BOYCE  
RUSSELL, LONG & BURKHOLDER

By: P. M. Conway  
Authorized to Act for All

The proposal having been read it was moved by Vernon Shallcross with a second by Clarence Bartlett that the proposal be accepted in the manner and form presented. On roll call the vote was as follows:

Aye: Clarence Bartlett, Vernon Shallcross, John E. Richardson,  
Boswell B. Hodgkin

May: None

Whereupon the chairman declared said motion duly carried and the proposal accepted.

It was moved by Judge Bartlett with a second by John E. Richardson that there be set aside from the revolving funds of the College the amount of \$150,000.00, said amount to be combined with the amount to be raised



by the sale of bonds and the amount of \$300,000.00 appropriated by the State Property and Buildings Commission for the erection of a Student Union Building and that the Business Manager of the College be authorized and directed to effect the transfer of the above amount from the revolving funds of the College to the building account which will be setup by the Department of Finance of the Commonwealth of Kentucky for the erection of said Student Union Building. On roll call the vote was as follows:

Aye: Clarence Bartlett, Vernon Shallcross, John E. Richardson,  
Boswell B. Hodgkin

Nay: None

Whereupon the chairman declared said motion duly carried.

Mr. Grafton presented at this time a letter from Attorney General A. E. Funk approving the proposed bond issue. A copy of the letter follows:

Commonwealth of Kentucky  
Office Of The Attorney General  
Frankfort  
June 28, 1950

Mr. Cornelius W. Grafton  
Wyatt, Grafton & Grafton  
Marion E. Taylor Building  
Louisville 2, Kentucky

Dear Mr. Grafton:

I have your communication of June 26, 1950 enclosing the proposed bond order to be adopted by the Board of Regents of the Western Kentucky State College, wherein, it is proposed that the College issue \$150,000 of revenue bonds to be used as part of the cost in the construction of a New Student Union Building.

I have examined the proposed bond order and it appears to me to be in proper form and I am of the opinion that when it is adopted by the College, it will provide the legal basis for issuing the aforesaid bonds.

Very truly yours,

A. E. FUNK  
The Attorney General

AEF:ocr

President Garrett stated that he had made application to the State Property and Buildings Commission for approval of the bond issue. Below is a copy of the authorization mailed him by J. B. Rieman, Chief Engineer of that Commission under date of June 28.

STATE PROPERTY AND BUILDINGS COMMISSION

June 27, 1950

Whereas The Board of Regents of Western Kentucky State College did on March 25, 1950, determine that there is a present need for a Student Union Building on the campus of said College, estimated to cost approximately \$600,000.00 to be financed, as follows; viz:

- (1) \$300,000.00 appropriated by State Property and Buildings Commission
- (2) \$150,000.00--funds available on hand
- (3) \$150,000.00 to be secured from the issue and sale of revenue bonds.

and whereas the said Board of Regents have been called to meet in Louisville at the Kentucky Hotel, 10:00 A.M., Saturday, July 1, 1950, at which meeting resolutions will be passed setting up the bond issue and providing for the receipt of bids at a meeting to be held in Bowling Green at 2:00 P.M., Saturday, July 22, 1950, and the matter being presented to the Buildings Commission, and the members thereof being advised, it is ordered that said Western Kentucky State College is hereby authorized, empowered and directed to issue not in excess of \$160,000.00 of revenue bonds under the authority of KRS 56.510, et seq., the proceeds of which, with other funds available, be used solely and only for the construction of said project.

These bonds shall not constitute any indebtedness of the Commonwealth of Kentucky or of the Western Kentucky State College, or its Board of Regents, but shall be payable from the income and revenues derived from the operation of said Student Union Building, and a sufficient amount shall be set aside annually and pledged for the purpose of paying the principal and interest of said bonds so issued.

RECOMMENDED:

J. B. RIEMAN

J. B. Rieman, Executive Secretary

By W. H. ATTEBERRY

Examined and approved as to legality and form:

A. E. FUNK

A. E. Funk, Attorney General



APPROVED

## STATE PROPERTY AND BUILDINGS COMMISSION

By A. E. FUNK  
A. E. Funk, Member

By JOHN W. MANNING  
John W. Manning, Member

By H. CLYDE REEVES  
H. Clyde Reeves, Member

By LAWRENCE W. WETHERBY  
Lawrence W. Wetherby, Member

By EARLE C. CLEMENTS  
Earle C. Clements, Member

John E. Richardson introduced and caused to be read in full the resolution entitled: "Resolution of the Board of Regents of the Western Kentucky State College Providing for the Issuance, Sale and Delivery of Student Union Building Revenue Bonds of said Board of Regents to provide funds (to the extent not otherwise provided) for the construction of a Student Union Building upon the campus of the College" which is in words and figures as follows:

A RESOLUTION OF THE BOARD OF REGENTS  
OF THE WESTERN KENTUCKY STATE COLLEGE  
PROVIDING FOR THE ISSUANCE, SALE, AND  
DELIVERY OF STUDENT UNION BUILDING  
REVENUE BONDS OF SAID BOARD OF REGENTS  
TO PROVIDE FUNDS (TO THE EXTENT NOT  
OTHERWISE PROVIDED) FOR THE CONSTRUCTION  
OF A STUDENT UNION BUILDING UPON THE  
CAMPUS OF THE COLLEGE

WHEREAS, the Western Kentucky State College and its students are not now being provided with adequate buildings for educational purposes and in order to provide the same, the Board of Regents of the College has heretofore directed that plans and specifications for a Student Union Building be prepared to house various student activities necessary to the educational program of the College, and such plans and specifications have now been completed and submitted and approved; and

WHEREAS, the State Property and Buildings Commission has also approved said plans and specifications, as well as the issuance of the bonds and authorized hereby; and

WHEREAS, bids for the construction of said building according to the approved plans and specifications have

been received and it has been made to appear, to the satisfaction of the Board of Regents, that said building may be completed at a cost of not to exceed approximately Six Hundred Thousand Dollars (\$600,000.00); and the College now has on hand, in available funds, the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) which has been appropriated to apply against such construction costs, and the State Property & Buildings Commission has appropriated Three Hundred Thousand Dollars (\$300,000.00), leaving a balance in the sum of approximately One Hundred Sixty Thousand Dollars (\$160,000.00) presently to be raised; and

WHEREAS, under the provisions of Section 162.340 and succeeding sections of the Kentucky Revised Statutes, the Board of Regents of the Western Kentucky State College, as the governing body of said state educational institution, is authorized to issue bonds as hereinafter provided for the purpose of financing the cost of said new building to the extent not otherwise provided (said Student Union Building, together with appurtenances, being hereinafter sometimes referred to as the "project");

NOW, THEREFORE, THE BOARD OF REGENTS OF THE WESTERN KENTUCKY STATE COLLEGE RESOLVES AS FOLLOWS:

Section 1. In order to provide for the payment of the costs of the project not otherwise provided, there shall be and there are hereby ordered to be issued by the Board of Regents of the Western Kentucky State College, in its corporate capacity and by and through its corporate name, and as a state educational institution and agency, Student Union Building Revenue Bonds in the aggregate principal amount of One Hundred Sixty Thousand Dollars (\$160,000.00), dated August 1, 1950, consisting of One Hundred Sixty (160) bonds of the denomination of One Thousand Dollars (\$1,000.00) each, which shall be numbered consecutively from One (1) to One Hundred Sixty (160), inclusive, and which shall bear interest to be evidenced by coupons attached to each bond, payable semi-annually on each February 1 and August 1 to the respective maturity dates of principal, such interest to be at one or more interest rates (not to exceed Three Per Cent 3% per annum) to be established by competitive bidding when the bonds are offered for public sale as hereinafter provided. Said bonds shall mature serially and in numerical order as follows:



<u>BONDS NUMBERED</u> (Inclusive)	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF MATURITY</u>
1-7	\$7,000.00	August 1, 1952
8-14	\$7,000.00	August 1, 1953
15-21	\$7,000.00	August 1, 1954
22-28	\$7,000.00	August 1, 1955
29-35	\$7,000.00	August 1, 1956
36-43	\$8,000.00	August 1, 1957
44-51	\$8,000.00	August 1, 1958
52-59	\$8,000.00	August 1, 1959
60-67	\$8,000.00	August 1, 1960
68-75	\$8,000.00	August 1, 1961
76-84	\$9,000.00	August 1, 1962
85-93	\$9,000.00	August 1, 1963
94-102	\$9,000.00	August 1, 1964
103-111	\$9,000.00	August 1, 1965
112-120	\$9,000.00	August 1, 1966
121-130	\$10,000.00	August 1, 1967
131-140	\$10,000.00	August 1, 1968
141-150	\$10,000.00	August 1, 1969
151-160	\$10,000.00	August 1, 1970

provided, however, that any of said bonds numbered Fifteen (15) to One Hundred Sixty (160), inclusive, shall be redeemable prior to stated maturities, as a whole, or from time to time in part, in the inverse order of their numbering, on August 1, 1953, or on any interest payment date thereafter, providing a notice specifying the bonds to be redeemed shall have been on file at the place of payment of principal and interest at least Thirty (30) days prior to the specified redemption date and provided also that such notice shall have been published at least once not less than Thirty (30) days prior to the redemption date in a newspaper having general circulation throughout Kentucky. In the event any of the bonds shall be called for redemption in the manner above set forth, the Board of Regents shall pay to the owner and holder of each such bond the face amount thereof, together with interest to the redemption date at the applicable coupon rate and together with additional interest which shall be equal to One-Fourth of One Per Cent ( $1/4$  of 1%) of principal for each year or fraction of a year by which the redemption date precedes the stated maturity of the bond. If, on or prior to the specified redemption date, the said Board of Regents shall deposit at the place of payment of said bonds the amounts then due to the bondholders as herein provided, the bonds called for redemption shall cease to bear interest as of the redemption date.

Section 2. Said bonds shall be signed for and on behalf of the Board of Regents of the Western Kentucky State College by the Chairman of said Board of Regents, attested

by its Secretary, and sealed with its corporate seal, and the interest coupons attached to said bonds shall be executed with the facsimile signatures of said Chairman and Secretary, and said bonds, together with the interest thereon, shall be payable in lawful money of the United States of America at the principal office of Louisville Trust Company in the City of Louisville, Jefferson County, Kentucky, but only out of the "Student Union Building Revenue Bond and Interest Redemption Fund," hereinafter created, and shall be a valid claim of the holders thereof only against said fund and against the gross income and revenues of the project pledged to such fund.

Section 3. The aforesaid bonds and coupons shall be in substantially the following form, to-wit:

(Form of Bond)

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
BOARD OF REGENTS OF WESTERN KENTUCKY STATE COLLEGE  
STUDENT UNION BUILDING REVENUE BOND

No. \_\_\_\_\_

\$1,000.00

KNOW ALL MEN BY THESE PRESENTS:

That the Board of Regents of the Western Kentucky State College, as a state educational institution and agency, for value received, hereby promises to pay to the bearer, or if this bond be registered, to the registered holder hereof, as hereinafter provided, the sum of One Thousand Dollars (\$1,000.00), on the first date of August, 19\_\_, with interest thereon from the date hereof until paid, at the rate of \_\_\_\_\_ per cent (\_\_\_\_%) per annum, payable semi-annually on each February 1 and August 1, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the maturity date of this bond to be paid only upon presentation and surrender of the annexed interest coupons as they severally mature, both principal and interest being payable in lawful money of the United States of America, at the principal office of the Louisville Trust Company in the City of Louisville, Jefferson County, Kentucky.

The right is hereby reserved to call and redeem all bonds numbered Fifteen (15) to One Hundred Sixty (160), inclusive, of the series of which this bond is a part, as may from time to time be outstanding, prior to their respective stated maturities, as a whole, or



from time to time in part, in the inverse order of their numbering, on August 1, 1953, or on any interest payment date thereafter, providing a notice specifying the bonds to be redeemed shall have been on file at the place of payment of principal hereof and interest hereon at least Thirty (30) days prior thereto, and provided such notice shall have been published at least once not less than Thirty (30) days prior to the redemption date in a newspaper having general circulation throughout Kentucky. In the event any of said bonds shall be called for redemption prior to their stated maturities, as herein provided, the Board of Regents of the Western Kentucky State College will pay to the owners and holders the face amount thereof, together with interest to the specified redemption date at the applicable coupon rate together with additional interest which shall be equal to One-Fourth of One Per Cent ( $1/4$  of 1%) of principal for each year or fraction of a year by which the redemption date precedes the stated maturity of each bond. If, on or prior to such redemption date, the Board of Regents shall have deposited at the place of payment of principal and interest the sum to which the holders of said redeemed bonds will be entitled, as herein provided, then said bonds shall cease to bear interest as of the redemption date.

This bond is issued for the purpose of financing the cost, not otherwise provided, of a Student Union Building and appurtenances for educational purposes in connection with the Western Kentucky State College, under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky including, among others, Sections 162.340 to 162.380, inclusive, of the Kentucky Revised Statutes.

This bond is payable only from a fixed amount of the gross income and revenues to be derived from the operation of said Student Union Building and appurtenances, which will be set aside as a special fund and pledged for that purpose and identified as the "Student Union Building Revenue Bond and Interest Redemption Fund," and this bond does not constitute an indebtedness of the Western Kentucky State College or its Board of Regents or of the Commonwealth of Kentucky within the meaning of any constitutional provisions or limitations.

A statutory mortgage lien, which is hereby recognized as valid and binding on said Student Union Building and appurtenances, is created and

granted to and in favor of the holder or holders of this bond and the series of which it is a part and in favor of the holder or holders of the coupons attached thereto, and said Student Union Building and appurtenances shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this bond and the series of which it is a part.

This bond is exempt from taxation in the Commonwealth of Kentucky.

This bond is fully negotiable but may be registered as to principal only on the books of the Secretary of the Board of Regents of the Western Kentucky State College, such registration to be evidenced by notation thereof on the reverse hereof by said Secretary, after which no transfer of this bond shall be valid unless made on the said books at the written request of the registered owner or his authorized representative and similarly noted on the reverse hereof. But this bond may be discharged from registry by being registered to bearer, and thereafter transferability by delivery shall be restored. Registration of this bond as aforesaid shall not affect the negotiability of the coupons appurtenant hereto, which shall continue to be transferable by delivery merely and shall remain payable to bearer.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED, that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this bond do exist, have happened, and have been performed in due time, form, and manner as required by law, and the amount of this bond, together with all other obligations of said Western Kentucky State College and its Board of Regents, does not exceed any limit prescribed by the Constitution or Statutes of Kentucky; that said Student Union Building and appurtenances will be continuously operated by said Western Kentucky State College; and that a sufficient portion of the gross income and revenues therefrom has been pledged to and will be set aside into a special account for the payment of the principal of and interest on this bond and the series of which it is a part, as the same will respectively become due.

IN WITNESS WHEREOF, the Board of Regents of the Western Kentucky State College has caused this bond to be signed by its Chairman, and its corporate seal



to be hereunto affixed, attested by its Secretary, and the coupons hereto attached to be executed with the facsimile signatures of said Chairman and said Secretary, who, by the signing of this bond, do adopt said facsimile signatures, and each of them, to be their respective authorized and official signatures; all as of the First day of August, 1950.

(SEAL)

Chairman, Board of Regents

ATTEST:

Secretary, Board of Regents

(Form of Coupon)

Number \_\_\_\_\_ \$ \_\_\_\_\_

(\*) Unless the bond to which this coupon is attached shall have been called for prior redemption

On the First day of \_\_\_\_\_, 19\_\_\_\_, the Board of Regents of the Western Kentucky State College will pay to bearer \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) out of its "Student Union Building Revenue Bond and Interest Redemption Fund," at the principal office of the Louisville Trust Company, in the City of Louisville, Jefferson County, Kentucky, as provided in and for interest then due on its \_\_\_\_\_

(\*) This legend to appear only on coupons maturing on and after February 1, 1954

"Student Union Building Revenue Bond," dated August 1, 1950, Number \_\_\_\_\_.

Chairman, Board of Regents

Secretary, Board of Regents

(Form of Registration to be printed on the back of each bond)

Date of Registration :	Name of Registered Holder :	Signature of Secretary of Board of Regents :
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Section 4. The project shall be completed as expeditiously as may be (the estimated completion date being July 31, 1951), and continuously thereafter it shall be operated as a revenue-producing undertaking on a fiscal year basis ending on July 31 of each year, and on that basis the gross income and revenues of said project shall be sufficient so as to set aside the required amounts (hereinafter specified) into a separate and special fund designated the "Student Union Building Revenue Fund" (hereinafter called the "Revenue Fund").

It is hereby represented and declared that in addition to other charges fixed and imposed for attendance at the College, the Board of Regents of said College has heretofore and so long as any of the bonds herein authorized are outstanding will continue to fix, impose, charge, and collect an "Incidental Fee," which all students have been and will continue to be required to pay and a portion of which has been and will continue to be allocated annually for the use of facilities provided by the College for various student activities necessary to the educational program of the said College. Inasmuch as the Student Union Building has been designed to accommodate a portion of the necessary facilities for student activities, it is covenanted and agreed on behalf of said Board of Regents that said building will continuously be set aside and used for that purpose and that a substantial portion of the fees allocated to student activities from said "Incidental Fee" will constitute income and revenues of the Student Union Building.

It is, therefore, hereby covenanted and agreed on behalf of said Board of Regents that annually when fixing the amount of such "Incidental Fee," due account will be taken of the services and facilities provided in that connection by said Student Union Building; that the portion of the "Incidental Fee" allocated annually to student activities will continue to take into account the services and facilities of said Student Union Building; that the aggregate of all amounts thus allocated and charged will be sufficient at all times to make the required payments into the "Student Union Building Revenue Bond and Interest Redemption Fund" and pay costs of operation and maintenance (including insurance) of said Student Union Building.

There shall be and there is hereby created a fund to be known as the "Student Union Building



Revenue Bond and Interest Redemption Fund" (hereinafter called the "Bond Fund") into which there shall be set aside from the moneys held in the Revenue Fund such amounts as will be sufficient to pay the interest on and principal of the bonds hereby authorized, as may be outstanding from time to time. It is hereby agreed that during the fiscal year ending July 31, 1951, the amount to be set aside into said fund shall be \$4,800.00, the same to include all sums received as accrued interest in the issuance of said bonds and also a sufficient portion of the proceeds of said bonds equal to the interest to accrue thereon during the construction period of the project. The amount to be set aside into said fund each fiscal year thereafter so long as any of said bonds remain outstanding shall be not less than as set forth in the following schedule:

During the fiscal year ending July 31, 1952,	\$11,800.00
During the fiscal year ending July 31, 1953,	\$11,590.00
During the fiscal year ending July 31, 1954,	\$11,380.00
During the fiscal year ending July 31, 1955,	\$11,170.00
During the fiscal year ending July 31, 1956,	\$10,960.00
During the fiscal year ending July 31, 1957,	\$11,750.00
During the fiscal year ending July 31, 1958,	\$11,510.00
During the fiscal year ending July 31, 1959,	\$11,270.00
During the fiscal year ending July 31, 1960,	\$11,030.00
During the fiscal year ending July 31, 1961,	\$10,790.00
During the fiscal year ending July 31, 1962,	\$11,550.00
During the fiscal year ending July 31, 1963,	\$11,280.00
During the fiscal year ending July 31, 1964,	\$11,010.00
During the fiscal year ending July 31, 1965,	\$10,740.00
During the fiscal year ending July 31, 1966,	\$10,470.00
During the fiscal year ending July 31, 1967,	\$11,200.00
During the fiscal year ending July 31, 1968,	\$10,900.00
During the fiscal year ending July 31, 1969,	\$10,600.00
During the fiscal year ending July 31, 1970,	\$10,300.00

The amounts set forth above for the respective fiscal years have been computed upon the assumption that after proposals for the sale and purchase of said bonds have been received, the interest rate with respect to said bonds will be fixed by the Board of Regents at Three Per Cent (3%) per annum, the amount set forth for each fiscal year being a sum sufficient to pay interest (at that assumed rate) maturing on February 1 of such fiscal year and upon August 1 of the ensuing fiscal year, together with principal maturing on August 1 of such succeeding fiscal year. In the event that the

interest rate or rates established by resolution of the Board of Regents at the time of sale shall differ from said assumed rate of 3% per annum, the minimum annual amounts to be set aside into the Bond Fund shall be higher or lower in order to accomplish the same results.

All funds received as accrued interest at the time of the issuance of said bonds, together with a sufficient amount of the proceeds of said bonds equal to the interest to accrue thereon during the construction period of the project, shall be paid into the said Bond Fund at the time of the issuance and delivery of the bonds hereby authorized, and shall be used for the payment of the interest on said bonds next thereafter becoming due.

The amount by which the payments in any fiscal year exceed the aggregate amount of interest on and principal of said bonds then currently becoming due shall be held in said Bond Fund as a reserve for contingencies and used solely as herein provided; provided, however, that no further payments need be made into said Bond Fund whenever and so long as such amount of the bonds shall have been retired that the amount then held in the Bond Fund, including the reserve for contingencies, is equal to the entire amount of the principal and interest that is to be paid on all of such bonds then remaining outstanding.

If, for any reason, there be a failure to make any payments into such Bond Fund as aforesaid during any fiscal year, any sums then held as a reserve for contingencies shall be used for the payment of any portion of the interest or principal on which bonds there would otherwise be default, but such reserve shall be reimbursed therefor from the first available payments made into the Bond Fund in the following year or years in excess of the required payment for the then current fiscal year; provided, however, that such reserve may be applied to the redemption of bonds prior to maturities.

All moneys held in the Bond Fund or as a reserve for contingencies shall be deposited in a bank which is a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation; the moneys held as a reserve for contingencies may be invested in direct obligations of the United States of America; provided, however, that sale of a sufficient amount of such obligations shall be made in the event that it shall prove necessary to draw upon said reserve.



The payments hereinabove provided into said Bond Fund from the Revenue Fund shall be made in equal monthly installments on the first day of each month, except when the first day of any such month shall be on a Sunday or a legal holiday, in which event such payment shall be made on the next succeeding secular day. The balance then and from time to time remaining in the Student Union Building Revenue Fund may be set aside for the necessary expenses of operation and maintenance, as hereinafter more fully provided. In the event that the moneys held in the Revenue Fund in any month shall be insufficient to make the aforesaid payments in full, any such deficiency shall be added to the amounts required to be paid into such Bond Fund in the following month.

The Bond Fund hereinabove created and described shall be used solely and only for the purpose of paying principal of and interest on the bonds herein authorized to be issued, and is hereby irrevocably pledged for that purpose and shall be used for no other purpose whatsoever.

At least Thirty (30) days prior to each February 1 and August 1, the Treasurer of the College shall transmit to the Louisville Trust Company a sum equal to the coupons or bonds and coupons which will mature on such ensuing February 1 or August 1 and shall at the same time remit to Louisville Trust Company a sum equal to its charges for services rendered as paying agent, in order that the holders of the bonds and coupons may receive the amounts due them without any deduction for such services.

The balance of the moneys remaining in the Revenue Fund after the aforesaid payments into the Bond Fund shall be set aside into an "Operation and Maintenance Account," hereby created, and all moneys in said account shall be used for proper operation and maintenance of said project, including an amount sufficient to pay the cost of insurance.

Section 5. While the bonds authorized hereunder, or any of them, remain outstanding and unpaid, the rents and charges for all services rendered by the project and fees charged to the students of the Western Kentucky State College shall be reasonable and just, taking into account and consideration the

cost and value of said project, the cost of maintaining and operating the same, the amounts necessary for the retirement of all bonds and the accruing interest on all such bonds as may be sold and are unpaid under the provisions of this Resolution, and there shall be charged against the Western Kentucky State College such amounts for services rendered by the project as shall be adequate, together with rents and fees charged to students, to meet the requirements of this and the two preceding sections hereof.

Section 6. The Board of Regents of the Western Kentucky State College hereby covenants and agrees with the holder or holders of the bonds hereby authorized to be issued, or any of them, that all duties with reference to said project required by the constitution and laws of the Commonwealth of Kentucky will be faithfully and punctually performed, including the charging and collection from the Western Kentucky State College and its students reasonable and sufficient amounts for services rendered by said project.

The Board of Regents of the Western Kentucky State College further covenants and agrees with the holders of said bonds to maintain in good condition and continuously to operate said project so long as the principal of or interest on any of the bonds herein authorized remain outstanding and unpaid, and to charge and collect reasonable and sufficient amounts as rent and for services rendered by the project in furnishing educational facilities to maintain the Bond Fund and the Operation and Maintenance Fund as required by the preceding sections of this Resolution, and the same are hereby pledged for that purpose.

Section 7. That for the further protection of the holders of the bonds herein authorized to be issued and the coupons thereto attached, a statutory mortgage lien upon said project and all properties connected therewith and belonging thereto is granted and created by Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien is hereby recognized and declared to be valid and binding upon all the property constituting the project, as provided by law, and shall take effect immediately upon the delivery of any bonds authorized to be issued under the provisions of this Resolution. Any holder of said bonds, or of any of the coupons,



may, either at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance of all duties required by law, including the charge, collection, and accounting for sufficient rents, student fees and charges, and the segregation and application of the income and revenues as provided by this Resolution.

If there be any default in the payment of the principal of or interest on any of said bonds, then, upon the filing of suit by any holder of said bonds, or any of the coupons, any court having jurisdiction of the action may appoint a receiver to administer said project, with power to charge and collect a sum sufficient to provide for the payment of the operating expenses, and to apply the income and revenues in conformity with this Resolution and the provisions of said laws of Kentucky aforesaid.

Section 8. The bonds authorized to be issued hereunder and from time to time outstanding shall not be entitled to priority one over the other in the application of the revenues of said project, or with respect to the statutory mortgage lien securing their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the bonds authorized to be issued under the provisions of this Resolution, regardless of the fact that they may be actually issued and delivered at different times.

Section 9. While any of the bonds herein authorized are outstanding, no additional bonds payable from the revenues of the said project shall be authorized or issued unless the lien and security for payment of such additional bonds are made junior and subordinate in all respects to the lien and security of the bonds herein authorized.

Section 10. So long as any of said bonds are outstanding the Board of Regents of the Western Kentucky State College shall:

- (a) Maintain insurance on the project against loss or damage by fire, lightning, and windstorm in an amount equal to the full insurable value, and pay the cost of such insurance from the Operation and Maintenance Fund hereinbefore described;

(b) Keep proper books of record and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to said project, and furnish the original purchaser of said bonds and any subsequent holder of any of said bonds, at the written request of such holder, complete operating and income statements of the said project in reasonable detail covering each six months period, and same shall be available not later than Thirty (30) days after the close of each six months period; and

(c) Grant to the holder of any of said bonds the right at all reasonable times to inspect the said project and all records, accounts, and data relating thereto.

Section 11. Upon the adoption of this Resolution, the Secretary of the Board of Regents of the Western Kentucky State College is hereby authorized and directed to cause notice to be published in THE BOND BUYER, a Financial Newspaper printed and published in the City of New York, New York, reciting in such notice that a Resolution providing for the issuance of the bonds as herein authorized has been adopted and that until the 22nd day of July, 1950, at 2:00 P.M., Central Standard Time, the Board of Regents will receive in the office of the Secretary upon the Campus of the College in Bowling Green, Kentucky, written proposals for the purchase of not less than One Hundred Fifty (150) nor more than One Hundred Sixty (160) of the bonds as herein authorized, the exact number of bonds to be sold to be determined by the Board of Regents at the time when bids are opened. Each such proposal shall specify the interest rate or rates for the bonds, each such rate to be a multiple of One-Fourth of One Per Cent ( $1/4$  of 1%) and not to exceed Two and One-Half Per Cent ( $2-1/2\%$ ) per annum for bonds maturing on and prior to August 1, 1964, and not to exceed Two and Three-Fourths Per Cent ( $2-3/4\%$ ) per annum for bonds maturing after August 1, 1964, and the bid price must be 102% of par value plus accrued interest, or better. The Board of Regents of the Western Kentucky State College will consider and act upon all proposals made pursuant to such published notice at its meeting in Bowling Green on July 22, 1950. The right to reject bids is and shall be expressly reserved.



Section 12. All sums received as accrued interest when the bonds are delivered and paid for shall be deposited in the Bond Fund, together with an additional sum from the bond proceeds so that the total deposit in said Bond Fund shall be equal to interest accruing on and prior to August 1, 1951. From said proceeds from the sale of said bonds, there shall next be paid all expenses incident to the authorization, issuance, and sale of the bonds herein described. All sums then remaining shall be transmitted to the State Treasury of the Commonwealth of Kentucky to be held and used together with other available funds, for the completion of the project.

Section 13. That the provisions of this Resolution shall constitute a contract between the Board of Regents of the Western Kentucky State College and the holder or holders of the bonds herein authorized to be issued, and after the issuance of any of said bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the bonds have been paid in full as to both principal and interest, or funds sufficient therefor shall have been duly provided and deposited for that exclusive purpose at the place of payment thereof.

Section 14. That if any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder thereof shall remain in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity of such section, paragraph, clause, or provision.

Section 15. That all resolutions and orders, or parts thereof, in conflict herewith, are, to the extent of such conflict, hereby repealed, and that this Resolution shall take effect from and after its adoption.

Adopted and approved, July 1, 1950.

B. B. HODGKIN  
Chairman

ATTEST:

PAUL L. GARRETT  
Acting Secretary

The above resolution having been read John E. Richardson moved the chairman that it be adopted which motion was duly seconded by Vernon Shallcross and said motion having been duly considered the chairman put the question thereon and upon the roll being called the vote was as follows:

Aye: Clarence Bartlett, Vernon Shallcross,  
John E. Richardson, Boswell B. Hodgkin  
Nay: None

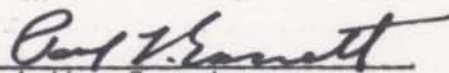
Whereupon the chairman declared said motion duly carried and said resolution duly adopted.

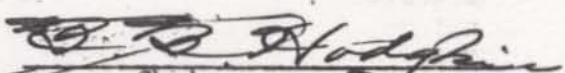
At this time the matter of the shortage in College funds was discussed. President stated that the Commonwealth's Attorney was obliged to secure postponement of the trial at the last court due to the illness of the State Auditor H. Riordan. It was the unanimous judgment of the Board that private auditors should be employed in order that further postponement of the case might be guarded against. It was moved by Vernon Shallcross with a second by Judge Bartlett that the President be authorized and directed to employ such private auditors. Upon roll call the vote was as follows:

Aye: Vernon Shallcross, Judge Bartlett, John E. Richardson,  
Boswell B. Hodgkin  
Nay: None

Whereupon the chairman declared the motion duly adopted.

There being no further business coming before the Board on motion by Judge Bartlett with a second by John E. Richardson and with all members voting "aye" the chairman declared the meeting adjourned.

  
Acting Secretary

  
Chairman